



Integrated Country Strategy

Egypt

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1. Chief of Mission Priorities

A strong bilateral partnership that helps strengthen Egypt's security, promote regional security, support comprehensive economic and social reform, and build institutions of inclusive governance and social tolerance is of vital strategic importance to the United States. Egypt's decline through a failure of security, political turmoil, economic collapse, or social radicalization would fuel global Islamist extremism and spur mass movements of people, threatening global security and economic stability. Unrestricted access to the Suez Canal is a vital global interest, and the U.S. military requires ongoing access to both the canal and to Egyptian airspace to project military power in the region and beyond.

The Embassy's highest immediate priority is expanding the partnership with the Government of Egypt (GoE) to counter active terrorist threats that also endanger the United States homeland and those of our allies. International and domestic terrorist groups active in the northern Sinai Peninsula and the Western Desert, where they frequently attack security forces, have also perpetrated mass-casualty attacks against civilians in urban areas, often at places of worship. Instability in neighboring countries coupled with porous borders have resulted in the flow of arms and malign actors into Egypt, as well as the training and financing of terrorist elements. We will help the GoE counter these threats through the provision of military and law enforcement equipment, training, and cooperation that helps Egypt eliminate terrorist safe-havens and better secures land and maritime borders. We will leverage this assistance to encourage military doctrines that more effectively counter terrorist threats and respect the rights of non-combatants.

The 40-year-old Egypt-Israel peace treaty, a pillar of regional security and a model for peace in the region, requires constant attention and support, including the Embassy's support for the Multilateral Force and Observers (MFO) mission. The Embassy will encourage Egypt to play a more active diplomatic and military role in advancing shared regional security interests, including in fighting global terrorism, containing Iran, finding durable solutions to conflicts in Syria, Libya, South Sudan, and Yemen, and providing peacekeeping troops in post-conflict areas. Mindful that Egypt's future is tied inexorably to the African countries of the Nile basin, with construction of the Grand Ethiopian Renaissance Dam nearing completion, it is in the U.S. interest to help ensure that riparian issues are responsibly managed to avoid regional conflict. Engagement with Egypt during its 2019 presidency of the African Union can help advance shared goals in Africa. We will press Egypt to better support U.S. diplomatic initiatives at the United Nations, including global counter-terrorism, counter-radicalization, peacekeeping operations, and non-proliferation regimes, as well as to support U.S. diplomacy aimed at North Korea's denuclearization.

Egypt faces monumental economic challenges to its stability and security in order to overcome a legacy of poverty and underdevelopment resulting from decades of economic mismanagement. The International Financial Institutions have committed tens of billions of

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dollars of taxpayer funds in support of economic reforms, and USAID programming prioritizes reducing impediments to private sector-led economic growth, job creation, and supporting education and healthcare reforms. The Embassy will support increased bilateral trade and investment flows through support for the American businesses, commercial missions, and intensified bilateral trade, investment, and energy dialogue.

Working with governmental partners and stakeholders, the Embassy will support transparency and encourage respect for participatory governance, the rule of law, civil liberties and basic human freedoms. Along with greater citizen involvement and tolerance of dissenting voices, this will help promote long-term political stability. Similarly, we will support programs that encourage respect for human rights and legal protections for all Egyptians regardless of religion, background, or gender as the foundation of long-term stability and prosperity. We will continue to push for a vibrant civil society, including fair treatment of international non-governmental organizations.

Protecting the safety and welfare of U.S. citizens in Egypt, including tourists and an estimated 70,000 permanently residents is another top priority. The Embassy will enhance cooperation with Egyptian law enforcement to combat document fraud and other travel-related threats to national security, including timely implementation of UN Security Council Resolution 2396 (2017 - Threats to International Peace and Security Caused by Terrorist Acts) and commitments in other international treaties.

An insidious risk to all of these objectives is a historical legacy of suspicion and anti-Americanism that has fostered a climate and culture in which radicalization has long flourished. Reversing this requires strengthening and expanding cultural connections in ways that promote positive understanding of the United States and what it stands for. The Embassy will proactively engage with the Egyptian public through public diplomacy, including cultural exchanges, people-to-people dialogue, and clear advocacy for U.S. policies in the Egyptian media. In addition to established opinion and policy makers, the Mission will reach out to youth through a network of alumni of exchanges and scholarship programs. Moreover, public diplomacy and development programs will promote toleration and aim to deter radicalization and the spread of violent extremism, particularly in vulnerable communities.

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3. Mission Strategic Framework

Mission Goal 1: Security of the United States, Egypt, and the region are strengthened; ISIS and other terrorist and transnational criminal organizations are degraded.

Mission Objective 1.1: Through U.S. assistance and partnership with Egypt, ISIS and other terrorist and transnational criminal organizations are significantly degraded; the canal and airspace remain open; Egypt's borders are substantially reinforced to prevent proliferation of illicit materials or access by nefarious actors; and the bilateral relationship is strengthened.

Mission Objective 1.2: Egypt's capacity to maintain its own security and stability is enhanced and interoperability is increased (internal, bilateral, and multilateral) enabling it to assume a greater share of the bilateral efforts.

Mission Goal 2: Egypt facilitates a comprehensive Arab-Israeli peace agreement and leverages its diplomatic influence to help resolve or prevent new regional conflicts.

Mission Objective 2.1: Egypt becomes a regional model for the normalization of ties with Israel.

Mission Objective 2.2: Egypt serves as a U.S. partner for resolving regional conflicts.

Mission Goal 3: Promote inclusive economic growth, socio-economic development, open markets, and increased U.S. exports.

Mission Objective 3.1: Promote increased employment, economic growth, regional economic security, and U.S. commercial engagement in Egypt to encourage the development of a stronger private sector and business-friendly economic policies and reforms, including policies that support entrepreneurship. (Incorporates USAID CDCS DO3)

Mission Objective 3.2: Support Egyptian efforts to foster a healthy, better-educated population able to meet the demands of a growing economy. (Incorporates USAID CDCS DO2)

Mission Goal 4: Strengthened democratic institutions and processes improve governance and support an engaged civil society.

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Mission Objective 4.1: Improved governance through direct engagement with key critical stakeholders, including civil society, leads to more effective and responsive institutions. (Incorporates USAID CDCS DO1)

Mission Objective 4.2: Increased respect for human rights, religious freedom, and social diversity results in a more secure and empowered citizenry.

Management Objective 1: Strong, innovative management, information technology, and infrastructure platforms allow us to reach Mission goals and objectives.

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4. Mission Goals and Objectives

Mission Goal 1: Security of the United States, Egypt, and the region are strengthened; ISIS and other terrorist and transnational criminal organizations are degraded.

Description and Linkages: Improving Egypt's security and stability, defeating terrorist and transnational criminal organizations, and inhibiting the proliferation of terrorists, criminals and weapons into and through Egypt's borders, is critical to *protecting the American people, the homeland, and the American way of life*. The Mission will partner with the Government of Egypt to bolster its security and enhance its stability, and that of the region. Defeating terrorist and criminal organizations requires driving them from foreign safe-havens, preventing their expansion into uncontested spaces, and curtailing the spread of their extremist ideologies. *Preserving peace through strength* and *promoting American prosperity* requires ready access to secure thoroughfares for legitimate traffic, including the Suez Canal. The canal is the thoroughfare for 10 percent of world commerce, and the Mission will work with its Egyptian partners to defend it from threats. In addition, U.S. military operations require ready access to both the canal and Egyptian airspace, and our engagement with the Government of Egypt will continue to maintain this essential access. A lasting security partnership with the Government of Egypt, including interoperability, is critical to promoting Egypt's stability, collectively deterring aggression, and reducing threats to U.S. and partner interests. *Encouraging American influence* entails nurturing and developing the partnership with the Egyptian government and people in order to improve Egypt's ability to maintain its own security and resilience against violent extremism. Ultimately, the aim is for Egypt to assume a greater role in these missions, independent of U.S. and other foreign assistance. Through training, expanded engagement, improved access, transparency, and interoperability between U.S. and Egyptian security organizations, the Mission will strengthen the partnership, and will jointly build a stronger, more self-reliant Egypt. Additionally, continued U.S. engagement enables influence across a range of issues, including through human rights training. The U.S.-Egypt historic security partnership will remain sound and enduring, but Egypt's security and stability depend upon the improved strength, skill, and soundness of its own institutions.

Mission Objective 1.1: Through U.S. assistance and partnership with Egypt, ISIS and other terrorist and transnational criminal organizations are significantly degraded; the canal and airspace remain open; Egypt's borders are substantially reinforced to prevent proliferation of illicit materials or access by nefarious actors; and the bilateral relationship is strengthened.

Justification: Egypt faces threats from terrorist organizations, including ISIS, and criminal organizations which use Sinai and the Western Desert as safe-havens and bases of operation. Egypt's porous borders enable the flow of foreign terrorist fighters, weapons, and hazardous material. Vulnerable segments of Egypt's large and rapidly growing population are targeted for recruitment by these violent extremists. Egypt's strategic location, including its role in operating the Suez Canal, give it primary importance to

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regional and international security and global commerce. The United States depends on both the canal for transit of naval vessels, and on the rights for military aircraft to transit Egyptian airspace in order to support U.S. global military operations. The United States will continue to join with Egypt in efforts to strengthen its stability and security and that of the region, maintain access to the Suez Canal and Egyptian airspace, reinforce Egypt's borders, and strengthen the strategic partnership.

Mission Objective 1.2: Egypt's capacity to maintain its own security and stability is enhanced and interoperability is increased (internal, bilateral, and multilateral) enabling it to assume a greater share of the bilateral efforts.

Justification: Egypt's efforts to fight terrorism and criminal activity have had mixed results, with continued attacks on civilian and security or military targets in the Sinai Peninsula, the Western Desert, and in Cairo. Egypt does not yet have the capacity to confront its varied threats without assistance. Egypt will continue to seek support from the United States and other partners. In the long term, it is in Egyptian and U.S. interests that Egypt attain interoperable capabilities to maintain its own security and stability while still providing for the ability to work collaboratively, bilaterally or multilaterally to ensure regional interests are met. However, as other countries compete for influence in the region, ongoing U.S.-Egypt security cooperation will remain essential in maintaining the strategic relationship. Egyptian Security Forces' counterterrorism operation in northern Sinai in response to a mosque attack that killed over 300 demonstrates a nascent evolution in the Egyptian government's approach to security operations, but highlights ongoing challenges in Egypt's security doctrine, capabilities, and training. Recent engagements between U.S. and Egyptian security elements have shown Egypt's receptiveness to U.S. training in critical counter-terrorism missions. However, the cooperative relationship will depend on improvements in transparency from the Egyptian government. Incidents such as the attack of September 4, 2018, which directly target or threaten the U.S. Embassy, must be met by a candid exchange of security information. The U.S. government's \$1.3 billion foreign military financing (FMF) program and other programming by the U.S. Embassy and other U.S. agencies aims to develop Egypt's capacity to defend itself from terrorism and other threats, and maintain regional security.

Mission Goal 2: Egypt facilitates a comprehensive Arab-Israeli peace agreement and leverages its diplomatic influence to help resolve or prevent new regional conflicts.

Description and Linkages: Egypt's peace treaty with Israel continues to position it as a regional leader in supporting efforts to advance Israeli-Palestinian peace. Leveraging these ties and Egypt's credibility with both groups, including in the broader Arab world, are important assets to a lasting peace settlement. Egypt, including through its 2019 presidency of the African Union, can also play an important role in supporting U.S. policy with respect to regional conflicts impacting U.S. national security interests, including in Libya, South Sudan, Syria, and

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Yemen, as well as in avoiding any escalation in tensions over water rights and the Grand Ethiopian Renaissance Dam (GERD). Egypt also remains a key partner in preventing Syria's premature return to the Arab League and the launch of the Middle East Strategic Alliance (MESA). These goals are key to promoting a stable and secure Middle East and North Africa, in line with the National Security Strategy, which emphasizes that, "by revitalizing partnerships with reform-minded nations and encouraging cooperation among partners in the region, the United States can promote stability and a balance of power that favors U.S. interests." In addition the Strategy goes on to state that, "We remain committed to helping facilitate a comprehensive peace agreement that is acceptable to both Israelis and Palestinians."

Mission Objective 2.1: Egypt becomes a regional model for the normalization of ties with Israel.

Justification: Normalization of ties between Arab states and Israel is an important element for a viable and comprehensive peace in the Middle East. U.S. engagement with Egypt, supplemented by similar engagement from Israeli and U.S.-based Jewish organizations, including the promotion of those ties through positive media engagement, would help advance this key objective. The absence of normalization would undermine the prospects for a lasting regional peace and risk the diminishment of Egyptian-Israeli diplomatic and economic engagements over time.

Mission Objective 2.2 Egypt serves as a U.S. partner for resolving regional conflicts.

Justification: Egypt is the world's seventh-largest contributor to UN Peacekeeping Operations and a regional diplomatic heavyweight. As a strategic partner, Egypt can promote shared goals for stability and economic development in Africa, and an end to regional conflicts in both Africa and the Middle East. By leveraging Egypt's regional diplomatic role, we can encourage Egyptian behavior that is harmonious with broader U.S. regional security interests.

Mission Goal 3: Promote inclusive economic growth, socio-economic development, open markets, and increased U.S. exports.

Description and Linkages: Stronger growth, open markets, inclusive socio-economic development, and a more educated and healthy population lay the foundation for greater prosperity and stability in Egypt. All these goals are key to promoting and protecting U.S. national economic interests and are in line with the National Security Strategy, which emphasizes that "stable, prosperous, and friendly states enhance American security and boost U.S. economic opportunities." They also support the State-USAID Joint Strategic Plan. In addition, U.S. national interests are advanced through stronger economic ties and enhanced business environment that increases commercial opportunities for American firms, and the facilitation of trade, advocacy and standards that align with those of U.S. manufacturers and exporters. Private sector growth, including entrepreneurial and startup businesses, will create

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jobs and real opportunities for a burgeoning youth population, as well as improve the livelihoods of the poor and disadvantaged. Stability will be promoted through improving health and education as well as strengthening partnerships. Overall regional security will be enhanced by an Egypt that is better able to meet the basic needs of people for water, food and energy on a sustainable and environmentally-friendly basis.

Mission Objective 3.1: Promote increased employment, economic growth, regional economic security, and U.S. commercial engagement in Egypt to encourage the development of a stronger private sector and business-friendly economic policies and reforms, including policies that support entrepreneurship. **(USAID DO 3)**

Justification: To facilitate the development of a stronger Egyptian private sector and a government that supports business-friendly economic policies and reforms, including those directed at entrepreneurship, the Embassy will seek to advocate for reform programs that continue and open up the economy in line with the ongoing International Monetary Fund and other multilateral and bilateral structural reform programs. A good sign going forward is that President Sisi has made it clear following his April 2018 reelection that he plans to continue to implement the necessary, but admittedly difficult, structural reforms needed to continue to right the economy in the last two years of the IMF's Extended Fund Facility program. Support for programs that promote inclusive and sustained long-term growth and that advance policies balancing energy, security, economic growth and environmental protection will also be critical.

The risks associated with Egypt not achieving this Mission Objective include, most importantly, Egypt failing to implement the necessary economic measures/reforms and returning to where it was in November 2016 when it faced major budget and foreign reserve crises.

Mission Objective 3.2: Support Egyptian efforts to foster a healthy, better-educated population able to meet the demands of a growing economy. **(USAID DO 2)**

Justification: To help secure Egypt's future economic competitiveness, the Embassy will support Egyptian efforts to improve the education and health status of its people. The embassy will seek to enhance inclusive access to quality, market-driven educational opportunities for Egyptians. Assistance will continue to support university-level scholarship programs and promote relevant, skills-based education and vocational training to meet the needs of Egyptian employers. Assistance will also continue to strengthen basic education outcomes through investments in early grade reading and teacher training. The Embassy will also continue its efforts in the areas of science, technology, engineering, and math. Egypt's education system is the largest in the Middle East, reaching more than 18 million youth, however, the quality of education remains a development challenge. Youth with a university degree represent over 30

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percent of the unemployed. Relevant, quality education and training are needed to provide workers with the skills and abilities in demand by local employers.

The Embassy will promote improved health outcomes for the Egyptian people. Improved water services will improve rural sanitation and increase household potable water quality where water is a scarce resource. The 2014 Egypt Demographic and Health Survey documented an unprecedented 17 percent increase in Egypt's total fertility rate since 2008. The Embassy will focus on key, evidence-driven priorities in health in which it has predominant capability and which are consistent with GOE priorities, including voluntary family planning/reproductive health and water and sanitation services and improved infectious disease surveillance systems.

The risks associated with not achieving this Mission Objective include Egypt failing to build the necessary social safety net for Egyptians, and this would be detrimental to building and sustaining the economy while making a potential opening for a growing youth population to be attracted to violent political, social, and religious extremism.

Mission Goal 4: Strengthened democratic institutions and processes improve governance and support an engaged civil society.

Descriptions and linkages: An Egypt that has in place the institutions and processes of effective governance, and that respects the rule of law, civil liberties, and basic freedoms will be a stronger and more stable Egypt able to better harness the diverse talents and energy of its people. This goal advances U.S. values and promotes prosperity and stability in Egypt. This goal bolsters the State-USAID Joint Strategic Plan Objective 1.3, "Counter instability, transnational crime, and violence that threaten U.S. interests by strengthening citizen-responsive governance, security, democracy and the rule of law." This goal also fulfills the December 2017 National Security Strategy directive to "Champion American Values" by supporting the dignity of individuals, empowering women and youth, protecting religious freedom and religious minorities, and reducing human suffering.

Mission Objective 4.1: Improved governance through direct engagement with key critical stakeholders, including civil society, leads to more effective and responsive institutions. **(USAID DO 1)**

Justification: Effective governance and respect for the rule of law depends on a government that features strong institutions that outlast leaders, providing predictability that advances peace and prosperity in the region. Following President Sisi's re-election in April 2018, he has consolidated power behind the presidency, which dictates policy to a Parliament without an organized opposition and has new powers to appoint and remove judges. The Mission will focus on opportunities to build trust in government institutions and civil society through engagement and capacity building.

The Mission aims to facilitate a healthy operating environment for civil society to grow,

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so that it can represent societal interest through constructive engagement with government. Sustained citizen involvement in decision-making and a more transparent policy-making process will lead to more inclusive policies that lead to a more stable Egypt.

Mission Objective 4.2: Increased respect for human rights, religious freedom, and social diversity results in a more secure and empowered citizenry.

Justification: Protection of human rights forms the foundation for long-term stability and prosperity, ensuring that citizens have the ability to express their opinions and dissent. Ensuring equality and protection for all Egyptians regardless of religion, background, or gender will bolster prosperity and stability. While President Sisi has embarked on initiatives for religious harmony and women's empowerment, the issues run deep in Egyptian society and progress has been slow. The Egyptian government has also limited free speech and assembly, imprisoning thousands. The Embassy will seek to support Egyptian-led efforts, including civil society organizations, which improve respect for human rights, advance equality, and empower women and youth. Failure to increase adherence to international human rights norms risks expanding the societal grievances that drive violent extremism.

5. Management Objectives

Management Objective 1: Strong, innovative management, information technology, and infrastructure platforms allow us to reach Mission goals and objectives.

Justification: The Mission's ability to strengthen the U.S.-Egypt strategic partnership, promote commercial ties, and assist American citizens depends on stable and efficient management platforms for the entire interagency. As stewards of taxpayer funds, the Mission aims to maximize the value of the dollars spent. The Mission protects and secures its infrastructure, continually improves the effectiveness and efficiency of operational platforms, and remains accountable. The Mission seeks to improve workforce performance, leverage human capital to maximize results, and sustain strong management controls.

One of the management challenges the Mission faces is that the physical layout of the Chancery and having Mission facilities in other part of the city and country can pose an obstacle to coordination. Some of the information silos are, however, mitigated by shared information technology systems. The Mission will move everyone to the cloud, including email and document storage. The Mission will reduce its hardware footprint and update the information technology infrastructure. In coordination with the Office of Overseas Building Operations (OBO), Mission leadership will begin the search in the New Administrative Capital for a suitable site for the New Embassy Compound (NEC).

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The Mission's leadership team has consistently demonstrated the ability to work in times of hardship and we have a depth of crisis management experience. The Mission plans to build on this knowledge base to continue professional development and training.